

Good afternoon, I want to thank Chairman Oxley and Ranking Member LaFalce for holding today's hearing on the State of the International Financial Institutions, including the World Bank and the International Monetary Fund (IMF).

For decades now, the World Bank and the IMF's development programs in poor countries, particularly those in Africa, have not yielded sustainable economic growth or a reduction of absolute poverty.

I believe that this hearing is timely especially in light of the challenges that poverty and crippling economies play in exacerbating the African AIDS crisis.

Each day over 6,000 people in Africa die from AIDS. In many African nations, people live on less than one dollar a day; yet, addressing the AIDS crisis through education and treatment will cost billions of dollars each year.

In light of this, the World Bank and the International Monetary Fund continue to provide loans to countries who cannot afford them, but have no alternative to try to provide human needs for their people, including access to basic health care.

Last year, Congressman James Leach and I led a bipartisan effort to establish an international AIDS trust fund at the World Bank that would provide grants, not loans, to African nations, civil society and non-governmental organizations so that they could respond to the HIV/AIDS

crisis.

I am pleased to say that we are now seeing considerable movement on this initiative in the international community.

Until the international trust fund is fully negotiated and fully funded, we must utilize all strategies to counter the devastating impact of HIV/AIDS.

Over the past several months, Congressman Leach and I have led a bipartisan, bicameral coalition to raise the level of attention and response for a multilateral initiative to address the global AIDS crisis.

As a part of this effort, we have repeatedly requested that the Treasury Department brief the Congress on the progress of the International Trust Fund. This request has not been complied to.

I understand and appreciate the level of attention the Administration has placed on the development of an international AIDS trust fund, however, the bill which authorized the establishment of an AIDS trust fund at the World Bank was signed into law last year in August.

The appropriation for such a fund, although meager (\$20 million), was approved in December 2000.

It is now May 2001. The Trust Fund has not been established, the report on the progress of the Trust Fund which was due on April 30th has not been submitted, and my colleagues and I have been unable to receive, at a minimum, a briefing on the status or about the progress of the negotiation for the AIDS trust fund.

I remind you that everyday over 6,000 Africans die. Since the law

passed to establish an international trust fund, 275 days have passed—over 1.65 million Africans have died.

Yet the Administration appears to continue to drag its feet on the most important humanitarian and moral issue of our time.

I appreciate the \$200 million gesture President Bush announced a week ago, but the rest of the world is calling for \$10 -\$15 billion dollars for such a fund.

When I wrote the legislation to establish such a fund nearly two years ago, we were seeking a billion dollar campaign.

Earlier this year, I introduced legislation, H.R. 1567, the Debt Cancellation for HIV/AIDS Response Act of 2001, to raise awareness of the need for burden sharing, to link debt relief to the HIV/AIDS pandemic and to move that agenda forward in a bipartisan manner. I encourage my colleagues on the subcommittee to cosponsor this important legislation.

AIDS kills and debt kills. To kill AIDS, we must kill debt-- particularly multilateral debt owed to the World Bank and the International Monetary Fund.

Another aspect of this effort must be targeted at the IMF. In many countries, as leaders attempt to develop and implement primary health and education programs, they are forced to pay the IMF user fees. These are primary services which are a basic human right of all people. We must eliminate user fees.

Last year the U.S. Congress and the Administration, in a gesture of good faith, provided \$435 million in fiscal year 2001 for bilateral debt cancellation and multilateral debt reduction.

It is my firm belief that this action should encourage these international financial institutions to match the debt cancellation efforts of the G-8 countries to ensure burden sharing.

Finally, I would like to reiterate the devastating toll that HIV/AIDS is having in Africa and many developing nations throughout the world.

Last year the World Bank announced a \$500 million loan program for Africa to help mitigate the affects of the HIV/AIDS pandemic. While I can appreciate the gesture by the World Bank, I must disagree with their tactic. These poor countries must not be forced to incur more debt in order to provide life saving services for their people.

I hope that today's hearing will encourage an increase in grants, not loans.

Thank you.